

**Written Testimony of Lorry S.C. Brown
On Behalf of the Michigan Advocacy Project (MAP)
On House Bill 4915 – Amendment to the Michigan Consumer Protection Act
House Committee on Judiciary**

Members of the House Committee on Judiciary, thank you for the opportunity to present a written statement regarding House Bill 4915. I am Lorry Brown, the consumer law attorney at Michigan Poverty Law Program. Michigan Poverty Law Program is the statewide back-up center for legal services programs. I am presenting this statement on behalf of the Michigan Advocacy Project. The Michigan Advocacy Project (MAP) is a joint project between the Michigan League for Human Services (MLHS) and the Michigan Poverty Law Program (MPLP). MAP advocates on behalf of the state's low-income population on issues in the areas of low-income housing, family law, consumer protections, and issues affecting the elderly.

We support the effort of this Committee to fix the gaping hole in the Michigan Consumer Protection Act (MCPA) created by the Michigan Supreme Court's case, *Smith v Globe*. We therefore strongly support HB 4915.

In February 2009, the National Consumer Law Center, after examining states' consumer protection statutes ranked Michigan's statute as one of the worst statutes because "it had been gutted by court decisions that interpret the statute as being applicable to almost no consumer transactions." Essentially, after *Smith v Globe*, a consumer had no legal recourse to address any wrong doing by most businesses.

This was further confirmed by the Consumer Law Section's Report earlier this year. In that Report, the authors looked at some of the top ten consumer complaints filed with the Attorney General's office. According to the Report, "a total of 13,122 consumer complaints were received by the Attorney General's office in 2008." The authors then "tallied the number of complaints that involved businesses likely exempt from the MCPA under the *Smith* and *Liss* decisions. The authors concluded that "at least 9,468 of the consumer complaints were against businesses that are likely exempt from the Michigan Consumer Protection Act." Consequently, consumers had no redress under the MCPA in at least 72% of these complaints.

It is therefore imperative that the gaping hole in the MCPA be fixed. HB 4915 does that and will restore the original intent of the MCPA, and will protect consumers as well as honest businesses. Thank you.

Prepared for:
House Committee on Judiciary Hearing – October 28, 2009